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Survey of the New Orleans livestock market since 1925

James M. Baker

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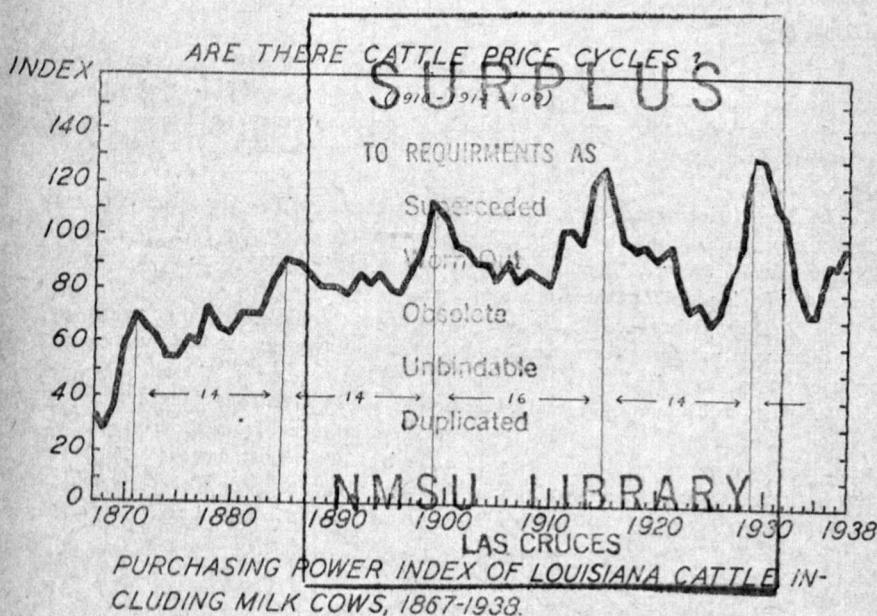
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SEPTEMBER, 1938

Survey of the New Orleans Livestock Market Since 1925

By

J. M. BAKER



LOUISIANA STATE UNIVERSITY
AND
AGRICULTURAL AND MECHANICAL COLLEGE
AGRICULTURAL EXPERIMENT STATIONS

C. T. DOWELL, DIRECTOR

BRIEF SUMMARY

1. Choice calves and light choice steers are in greatest demand and move most readily on the New Orleans market.

2. Heavy steers, especially in the lower grades, are little in demand and move slowly on the market.

3. Choice calves weighing from 125 to 250 pounds top the market in price, but calves weighing from 250 to 500 pounds also are in good demand.

4. Louisiana leads as a source of cattle and hog receipts and Texas leads in calf receipts at New Orleans.

5. In all classes of livestock, good quality brings a relatively higher premium over poor quality in periods of low prices than in periods of high prices. Actual price spreads between different qualities remain relatively stable at all times.

6. Good quality hogs and feeder hogs find a good demand at New Orleans at all times.

7. New Orleans prices for choice light-weight steers, choice calves and corn-fed hogs are well in line with prices paid by such markets as Chicago, East St. Louis, Kansas City and Fort Worth. For Louisiana producers, the delivery charges to New Orleans are generally less than to these other markets.

8. At New Orleans, all cattle and calves bring the highest average prices in April and the lowest prices in November; hog prices, on an average, are highest in September and lowest in December.

9. Reestablishment of federal inspection at the New Orleans slaughtering plants is urgent for at least four reasons: (1) To qualify the meats from these plants for consumption by governmental agencies within the New Orleans trade area; (2) to reestablish interstate trade in these products; (3) to make way for trade with the great eastern consuming markets; and (4) to open up a better market for the heavier types of beef cattle.

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SURVEY OF THE NEW ORLEANS LIVESTOCK MARKET SINCE 1925

By

J. M. BAKER

INTRODUCTION

The main purpose of this study is to present information on the livestock marketing situation at New Orleans, excluding packing house products and local meat processing industries. Special effort has been made in preparing this bulletin, to familiarize the reader with the different aspects of the market, such as organization, tariffs, sources and amounts of receipts, channels for distribution, prices, and comparisons between New Orleans and other important livestock markets. Many persons will want to make specific use of results of this study; hence, some rather detailed data are presented. These data will be most useful for the purposes of bringing out price comparisons based on quality, or grade, and of showing the trends in receipts and prices during the period under study.

The sources of data used in the report comprise the following: Records of the New Orleans Livestock Exchange, Limited; issues of *Crops and Markets*, published by the United States Department of Agriculture; issues of the *Yearbook of Agriculture*, United States Department of Agriculture; mimeographed compilations from the Statistical Section of the Livestock, Meats and Wool Division, Bureau of Agricultural Economics, United States Department of Agriculture; governmental agencies in Louisiana, such as Veterans' hospitals, C.C.C. Camps, and government engineers; and personal interviews with officials of New Orleans Stockyards, Incorporated, and representatives of the various local meat processing establishments.

LIVESTOCK DEALERS' ORGANIZATIONS

NEW ORLEANS STOCKYARDS, INCORPORATED. The stockyards are located just outside the city limits south of New Orleans, in Arabi, St. Bernard Parish, and comprise thirty acres. Of the 5.25 acres used for livestock pens, about 4.50 acres are under cover. The yards have a capacity of about 5,000 head of cattle and calves and 1,000 head of hogs and sheep per day. The annual volume of business is about \$5,000,000, with an average annual turnover of approximately 50,000 head of cattle, 100,000 calves, 35,000 hogs and 1,500 sheep.

The present yards, which were established in 1869, are now operated by the New Orleans Stockyards, Incorporated, and are capitalized at \$500,000.¹ The corporate stock

Acknowledgments: To Mr. B. B. Jones, Agricultural Secretary, New Orleans Association of Commerce, for supplying most of the descriptive material on livestock dealers' organizations and otherwise cooperating with the writer; to Major J. S. South, Secretary, New Orleans Livestock Exchange, Limited, and to individual members of the Exchange, for making available their records and supplying additional information; to Dr. R. J. Saville, Department of Agricultural Economics, Louisiana State University, for general guidance in the study and in the preparation of the report; and to Mr. W. T. Cobb, Dr. C. I. Bray, Dr. R. A. Ballinger and Dr. Karl Brandt, Louisiana State University, for suggestions and criticisms of the report.

¹ Present officers of the company are: A. P. Perrin, president; W. H. Hodges, first vice-president; J. G. Lacroix, second vice-president; J. S. South, secretary-treasurer.

is held largely by individuals and concerns connected with the local livestock and meat industry.

The duty of the stockyards company is to accept delivery of livestock to be sold, unload the stock into pens, and provide water for them. Feeding of the livestock is the responsibility of the commission men to whom the shipments have been consigned. Railroad switch tracks run into the yards so that livestock may be easily unloaded. Special facilities have been provided for unloading trucks. Rail shipments from the West are usually transferred to boat at the west bank of the Mississippi River and conveyed directly to the stockyards.

The local yards are licensed by the Packers and Stockyards Division, United States Department of Agriculture, under the Packers and Stockyards Act of 1921.

The company files with this federal agency a copy of its tariff which sets forth all the charges for services and materials furnished livestock shippers.² Four sets of type registering scales are operated by bonded weighmasters and are tested regularly by federal testers. All animals coming into or leaving the stockyards are inspected for disease by federal inspectors who act with state authority.

NEW ORLEANS LIVESTOCK EXCHANGE, LIMITED. This corporation is composed largely of operators on the local yards.³

The duties of the exchange are to establish rules governing the various companies doing business on the yards; to set the hours for business; and to see that all rules and regulations of the Packers and Stockyards Act are properly adhered to. The exchange determines the terms on which credit is extended in the selling of livestock. In general, it is the governing body of the local livestock business. Daily market price quotations and receipts of livestock on the yards are furnished to the newspapers by this organization.

SELLING AGENCIES. Six livestock commission companies sell livestock on the New Orleans stockyards, namely, W. H. Hodges and Company, B. F. Howell, E. B. Lacoste and Company, New Orleans Livestock Commission Company, A. P. Perrin, and C. H. Rice and Son. Each company is licensed and bonded as provided by the Packers and Stockyards Act. The bonds are deposited with the New Orleans Livestock Exchange, Limited. The purpose of bonding is to protect consignors of livestock against loss in the event of failure of any company to account properly for the proceeds from livestock sold by them.

All charges made for materials and services in connection with livestock sales must be approved by the Packers and Stockyards Division and any change in charges must have the approval of this Division. Livestock consigned to selling agencies are unloaded by them at the yards and sold as quickly as possible. A proper account of sales is then rendered to the shipper.

A special dairy cow market is maintained at New Orleans. The same selling agencies deal in this special class of livestock.

BUYERS AT THE YARDS. Four different groups buy livestock offered for sale by the commission companies. They are the retail butchers, the wholesale meat dealers, the national packers, and the order buyers.

Approximately 500 local retail butcher shops and market butchers operate in New Orleans and its suburbs. A number of these select at the stockyards the individual animals they need for use in their shops, have them marked, killed, and refrigerated at the local abattoir and then delivered to their respective places of business.

² A copy of the present tariff is presented in Appendix A.

³ Present officers of the company are: J. G. Lacroix, president; W. H. Hodges, vice-president; and J. S. South, secretary-treasurer.

Wholesale meat dealers are the principal customers at the stockyards, buying livestock to be used in the dressed meat trade and in the processing of various kinds of meat products. A few of these dealers have men from their own organizations who buy on the yards. Others deal through the independent order buyers for this purpose.

Some of the large meat packing companies that operate branch houses in New Orleans occasionally buy liberally at the local stockyards. In Louisiana these companies do not operate under federal regulations, which require federal inspected slaughter plants. Most of their purchases are of calves.

Order buyers are trained livestock buyers operating at the stockyards. These buyers get regular orders from retail butchers and independent national packers for certain kinds and definite numbers of livestock. The animals desired are purchased and marked, and an account is rendered. For this service the buyer is paid a nominal fee.

LIVESTOCK KILLING ESTABLISHMENTS. There are two livestock killing plants that obtain their supply of live animals from the local stockyards. They are (1) the Arabi Packing Company, and (2) the New Orleans Butchers' Cooperative Abattoir. The first is located adjacent to the stockyards in Arabi. It is a stock company, the stock of which is owned mostly by persons connected with the meat industry. Inspection is carried on by state and city boards of health. Federal inspection is not now available, having been withdrawn in 1932. This plant has a by-products division which makes bonemeal, tankage, and other such products.

The New Orleans Butchers' Cooperative Abattoir is located up the river from the stockyards just over the line in Orleans Parish. It is a cooperative concern owned and managed by the cooperators in the business, such as the retail butchers and the wholesale meat dealers. The livestock supply for this plant is transported from the stockyards by boat. This company does custom slaughtering only. Inspection is carried on by both state and city authorities.

TARIFFS

TARIFF FOR STOCKYARDS. The New Orleans Stockyards, Incorporated, continues to operate under Tariff No. 2, issued April 20, 1929, and effective May 1, 1929, in compliance with the Packers and Stockyards Act. This tariff specifies the various yardage charges per head for livestock consigned for immediate slaughter, charges for shipping out and stop-overs, and other special services.⁴ This tariff also includes charges for dipping, trackage, immunization of hogs, and testing of cattle, and rules pertaining to the relations between the shipper, or owner, and the stockyards.

TARIFF FOR MARKETING AGENCIES. The tariff rates and charges for marketing agencies operating in the New Orleans Livestock Exchange, Limited, are regulated and approved in accordance with the Packers and Stockyards Act. The tariff sets forth the definition of terms used by the Exchange, selling charges, extra service charges, buying charges, resale charges, insurance, and shipping charges.⁵ This tariff was issued by the New Orleans Livestock Exchange, Limited, for and on behalf of each firm and marketing agency affiliated therewith, under order of the Secretary of Agriculture, issued April 8, 1936, and amended to become effective June 21, 1937.

SLAUGHTER CHARGES.⁶ For several years the killing tariff at the Arabi Packing Company has been, with slight variations, as follows: beef, \$2.10 per head; yearlings, \$1.85 per head; calves, \$1.60 per head; suckling calves, hogs, sheep and lambs, all 95 cents per head. These charges include killing, refrigerating, and delivering.

⁴ For the complete tariff see Appendix A.

⁵ For complete tariff see Appendix B.

⁶ Information furnished in letter by Edward Peschaw, Secretary of the Arabi Packing Company, Limited, Arabi, La., dated September 25, 1937.

FREIGHT RATES.⁷ A difference in freight rates between two markets may give advantage to one over the other. The following comparison between New Orleans and Chicago on equal tonnage is a typical example: live cattle, Chicago to New Orleans, 73.5 cents per 100 pounds; New Orleans to Chicago, 61 cents per 100 pounds, or a difference of 12.5 cents per 100 pounds in favor of Chicago. The same rates and the same differences apply to live calves. The freight rates on dressed beef and veal are the same from each of these markets to the other. Additional information concerning type of car and minimum load is presented in Appendix C.

SPECULATION

By speculation is meant the buying of livestock at the market, holding them over and reselling them on the same market. Criticism of this practice is frequently heard, but it may be desirable under certain conditions. For example, when the dumping of meats from out-of-state packing houses is so great as to practically paralyze the market for locally slaughtered products, the live animals already on the yards or enroute to the yards must be held over until local supplies will move again. This holdover incurs charges for feeding and care which can be made only on the assumption that prices will improve and that the pressure of excess supplies will decrease after the dumping ceases. The dumping of cheap meats creates a situation at the yards such that the demand for live slaughter animals practically ceases, even though a fairly stable price may still be quoted. There appears to be little interest in speculation at the New Orleans stockyards.

LIVESTOCK RECEIPTS AND SOURCES

RECEIPTS BY CLASSES AND KINDS. The average receipts of all livestock at the New Orleans stockyards, except horses and goats, for the period 1925-1937 are shown in Figure 2. Two things of particular interest are (1) the larger receipts of calves compared to cattle, and (2) the steadiness of the receipts of calves. The size of the New Orleans market may be indicated by the number of livestock handled in the course of a year. In 1937 the receipts were as follows: cattle, 62,578 head; calves, 135,202; hogs, 42,117; and sheep, 876. Calves are dominant at the New Orleans market. It is an importing market and calves appear to be in much greater demand by the local dealers than are other kinds of cattle, except, perhaps, yearlings.

Cattle receipts, as a whole, have shown a sharp upturn during the four years, 1934-1937, with calf receipts in 1937 breaking all records for the 13-year period, 1925 to 1937. The market for heavier type beef might be greatly improved by the restoration of federal inspection, which was withdrawn in 1932. This would expand the area for distribution into interstate trade and also make possible the use of locally slaughtered animals by governmental agencies in Louisiana. At present, purchases by governmental agencies, which were estimated at 1,557,280 pounds in 1935, must come from supplies that have been passed by federal inspection.⁸

Receipts of hogs at New Orleans stockyards have remained quite steady throughout the period, with a continuous rise from 1935 to 1937.

The sheep market has not been good at New Orleans. It dropped from a high point in 1926 to a very low mark during the depression, with no receipts for some months. A heavy drop was recorded for 1937. The steady and positive decline is evi-

⁷ Memorandum to B. B. Jones, New Orleans Association of Commerce from New Orleans Joint Traffic Bureau. See Appendix C.

⁸ From data assembled in 1935 for the more important governmental agencies within Louisiana and other areas adjacent to New Orleans that were excluded from purchasing locally slaughtered animals because of lack of federal inspection at the local slaughtering plants. It is evident that there is an outlet of about 1,557,280 pounds of beef, veal and pork for 13,858 persons. In the area served by Louisiana markets this would amount to 2,147,843 pounds of meat for 20,358 persons.

dently due to lack of supply of good quality sheep and lambs from the producing areas that ordinarily ship livestock to New Orleans. Consequently, the local dealers had to look to shipped-in products for their regular supply.

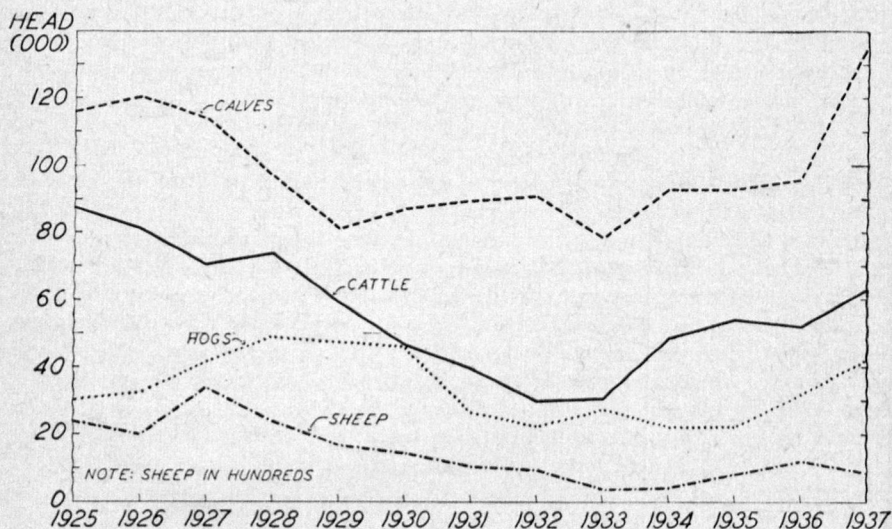


FIGURE 2. LIVESTOCK RECEIPTS AT NEW ORLEANS, BY KINDS AND CLASSES, 1925-1937.

(From the records of the New Orleans Livestock Exchange, Limited)

Cattle receipts declined rapidly from 1925 to 1932, but had a fair recovery by 1937. Calf and hog receipts were quite steady throughout the period, with a heavy increase in calves in 1937. Sheep, always low in receipts, have almost disappeared from the market.

SOURCES OF CATTLE AND CALF RECEIPTS. Receipts of cattle by states are given in Table 1. Nine states contributed to the New Orleans cattle supply during 1928 to 1937. Louisiana ranked first in importance, followed in order by Mississippi, Texas, Alabama, Georgia, Florida, Tennessee, Wisconsin, Illinois. Louisiana had 43 per cent of the receipts in 1928 and increased to 63 per cent in 1937. Mississippi followed with 34 per cent in 1928 but declined to 21 per cent in 1937. Texas increased from 2 per cent to 13 per cent from 1928 to 1937. Receipts from other states, while never large, decreased during the period. These percentage changes in receipts are shown graphically in Figure 3.

Sixty-six per cent of the cattle receipts at New Orleans in 1937 were delivered by truck. The balance were delivered by rail. Of these truck receipts, 76 per cent were from Louisiana, 23 per cent from Mississippi, and 1 per cent from Alabama. The heaviest truck-ins from Louisiana were from the parishes near New Orleans and from those having good highways leading to New Orleans.

Calves were shipped to the New Orleans stockyards from eleven states during the ten years, 1928-1937, as shown in Table 2. The bulk of the receipts were supplied by three states: Texas, Louisiana, and Mississippi. Texas has led in shipments of calves since 1930, increasing from 19 per cent of the total in 1928 to 52 per cent in 1937; Louisiana was second, with a decrease from 39 per cent to 36 per cent, even though the

TABLE I.—Cattle Receipts at New Orleans, by States, and Per Cent of Total Receipts from Louisiana, 1928-1937.*

State	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Louisiana	31,766	27,815	17,891	12,557	9,566	9,183	24,789	28,816	29,386	39,357
Mississippi	25,034	19,343	15,191	11,335	9,764	10,430	12,117	16,652	13,124	13,125
Alabama	8,588	7,632	5,862	2,176	1,629	1,470	808	4,900	5,327	1,709
Texas	1,493	1,203	3,760	11,748	8,013	8,073	9,398	2,416	3,315	8,307
Others	6,794	3,054	3,773	1,759	981	1,511	1,380	1,116	834	260
Total	73,675	59,047	46,477	39,575	29,953	30,667	48,492	53,900	51,986	62,758
Percent of total from Louisiana	43.1	47.1	38.4	31.7	31.9	29.6	51.1	53.5	56.5	62.7

*Source: New Orleans Livestock Exchange, Limited.

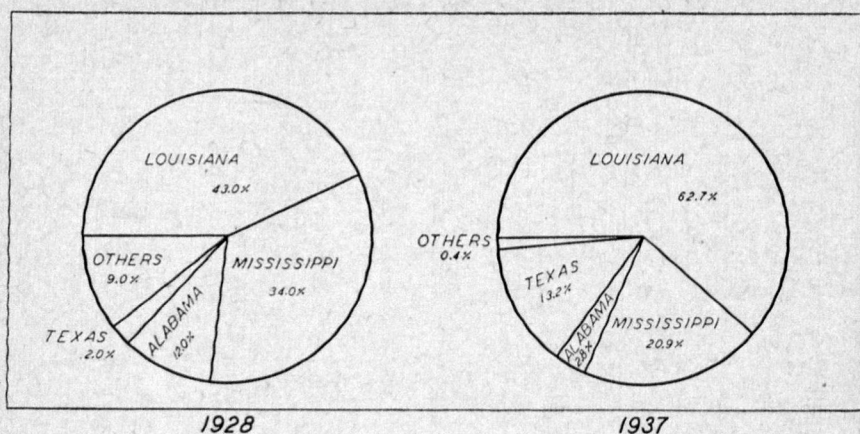


FIGURE 3. PERCENTAGE CHANGES IN SOURCES OF CATTLE RECEIPTS AT NEW ORLEANS, BY STATES, BETWEEN 1928 AND 1937.

Louisiana and Texas show an increase while the other states, especially those more distant, show a decrease.

number increased nearly 11,000; and Mississippi decreased from 28 per cent of the receipts to 10 per cent. Receipts from Alabama, Georgia, and Florida, which were fair in 1928, declined throughout the period. These percentage changes are presented in Figure 4.

Only 34 per cent of the calf deliveries to the New Orleans yards in 1937 were made by truck. The balance were delivered by rail. Louisiana supplied 77 per cent of the truck receipts, Mississippi 22.5 per cent, and Alabama 0.5 per cent.

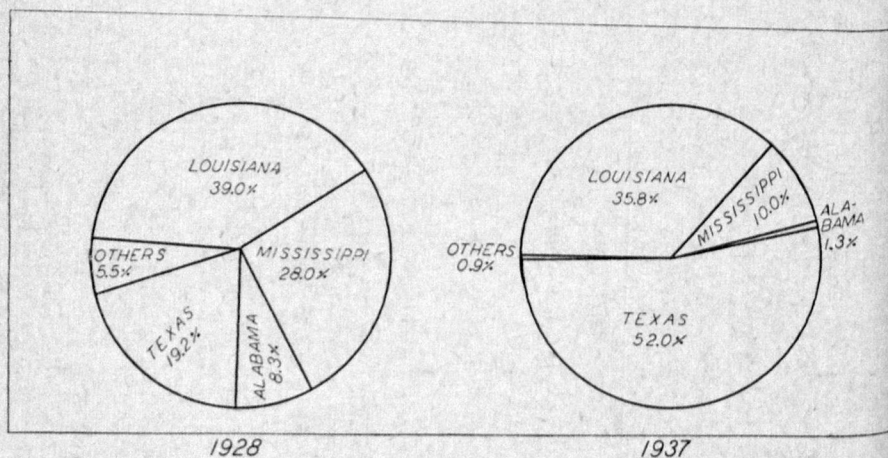


FIGURE 4. PERCENTAGE CHANGES IN SOURCES OF CALF RECEIPTS AT NEW ORLEANS, BY STATES, BETWEEN 1928 AND 1937

The increase in the percentage of receipts from Texas, and the tremendous decline from other areas, except Louisiana, are outstanding.

TABLE 2.—Calf Receipts at New Orleans, by States, and Per Cent of Total Receipts from Louisiana, 1928-1937.*

State	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Texas	18,525	17,773	32,610	51,717	51,738	43,625	55,846	37,231	41,087	70,327
Louisiana	37,679	33,321	25,584	18,910	22,979	17,963	19,589	35,356	34,124	48,460
Mississippi	27,117	20,478	19,437	13,941	12,414	13,218	15,035	15,905	15,316	13,531
Alabama	8,095	6,459	5,594	2,146	1,486	1,284	722	3,424	4,177	1,817
Others	5,291	3,122	3,692	2,748	2,076	2,148	1,454	985	994	1,067
Total	96,707	81,153	86,917	89,462	90,693	78,238	92,646	92,901	95,698	135,202
Per Cent of Total from Louisiana	39.0	41.1	29.4	21.1	25.3	22.9	21.1	38.1	35.7	35.8

*Compiled from the records of the New Orleans Livestock Exchange, Limited.

SEASONAL VARIATIONS IN CATTLE AND CALF RECEIPTS. The seasonal variations in receipts of cattle and calves at New Orleans stockyards are presented in Figure 5. Very marked fluctuation occurs, with calf receipts showing a wider change than do cattle receipts. The peak of cattle receipts occurred in January, with 11 per cent of the volume for the year. May and October are also good months, supplying 9 and 9.5 per cent, respectively. The lowest month in cattle receipts was March, with 7 per cent. Calf receipts moved from a very low percentage of the year's volume, 5 per cent, in March, to the highest receipts of the year, 11 per cent, in September and October.

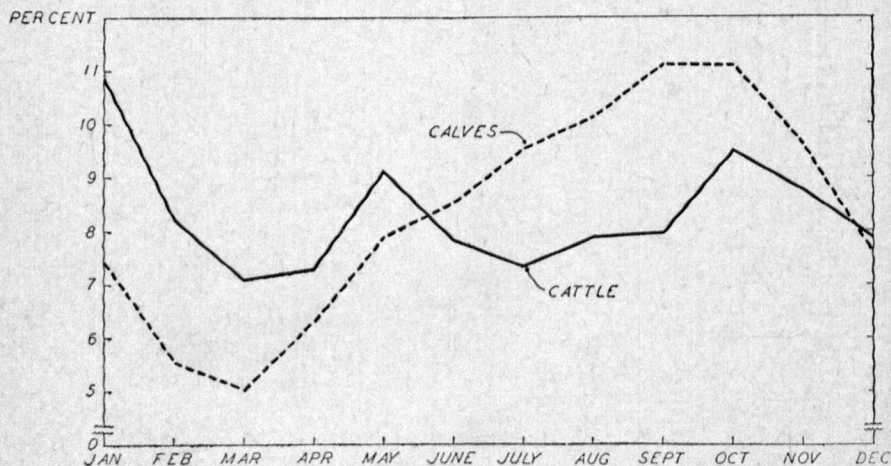


FIGURE 5. SEASONAL VARIATIONS IN RECEIPTS OF CATTLE AND CALVES AT NEW ORLEANS 1925-1937*

* PER CENT OF THE TOTAL FOR THE YEAR

Receipts of calves fluctuate more than do cattle receipts. The calf volume is highest in October and November and lowest in March. Cattle numbers are highest in January and lowest in March.

RECEIPTS OF CATTLE AND CALVES AT NEW ORLEANS COMPARED WITH OTHER MARKETS. The trend in cattle receipts at New Orleans compared to four other markets, namely, Chicago, East St. Louis, Fort Worth and "All Public" stockyards combined, is shown in Figure 6. Receipts at New Orleans followed Fort Worth very closely, but fell far below those of the other markets during the period. The decline at New Orleans often has been attributed to lack of federal inspection, which hampered the utilization of locally slaughtered livestock. But federal inspection at New Orleans was not withdrawn until 1932, whereas the rapid decline in cattle receipts began as far back as 1925, and probably before that time. Both New Orleans and Fort Worth markets showed marked recovery after 1933. Since these two markets are situated in the cotton belt, this suggests that the great interest in cotton production in the early 1920's may have caused a shift away from normal livestock production into cotton. A period of inactive production in livestock would affect the supply for several years, even after interest in livestock was again manifest. The conspicuous increases in receipts on the other markets in 1934 were due largely to Emergency Relief Administration purchases, in which New Orleans did not participate to an appreciable extent.

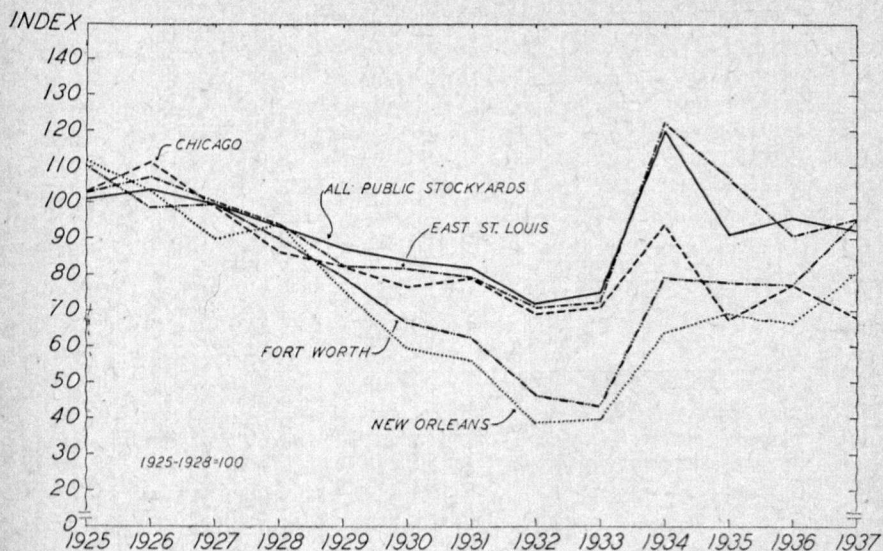


FIGURE 6. TREND OF CATTLE RECEIPTS AT NEW ORLEANS COMPARED WITH OTHER MARKETS, 1925-1937.

(From Crops & Markets, United States Department of Agriculture.)

Cattle receipts at New Orleans and Fort Worth did not hold up in the same proportion that they did at the other markets. This may have been due to a shifting from livestock to cotton in the early 1920's. Both markets show a marked recovery by 1936.

The steadiness of the movement of calves to the New Orleans market during the 13-year period, 1925-1937, compared favorably with such markets as Chicago, East St. Louis, Kansas City and Fort Worth. The high percentage of calves at the New Orleans stockyards compared to certain other stockyards is especially interesting. New Orleans is primarily a calf market, the proportion of calves to older cattle being practically the reverse of that in other markets. For example, the average yearly percentage of receipts of calves for the period, 1925-1937, has been as follows: All Public stockyards, 30 per cent; Chicago, 20 per cent; Kansas City, 17 per cent; Fort Worth, 30 per cent; and New Orleans, 64 per cent. The average ratio at the other markets is approximately three head of cattle to one calf. At New Orleans the ratio is approximately two calves to one head of cattle. Whether this is an index of the type of meat consumed in the city of New Orleans cannot be stated definitely in this discussion, because the data on the relative quantities of the different kinds of meats imported for local consumption were not available.

CATTLE AND CALF PRICES

Steers

PRICES OF STEERS. The general movement of the prices of steers at New Orleans was upward from 1925 through 1928 to 1930, and then receded to a low level during the years 1932 to 1934, as clearly shown by the prices of different grades in Figure 7. Prices advanced to a fairly high point again in 1937. These general movements of steer prices, which included a peak in 1929 and a trough in 1933, are not peculiar to the

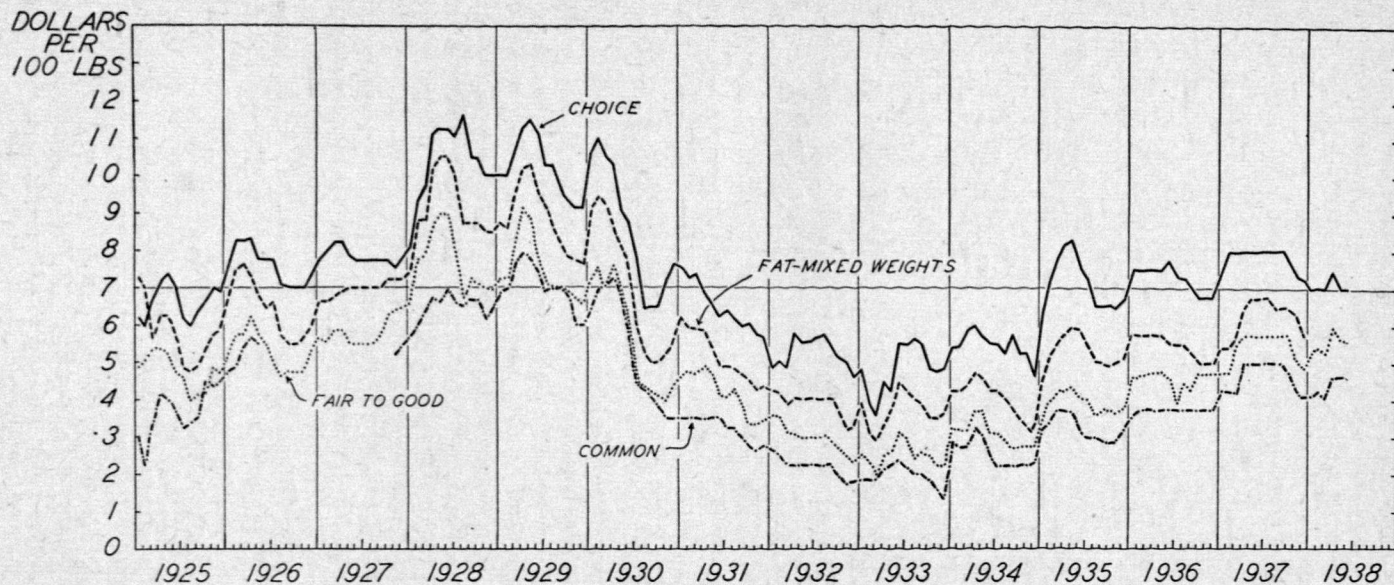


FIGURE 7. AVERAGE PRICES OF STEERS AT NEW ORLEANS BY MONTHS AND BY GRADES, 1925-1938

(From daily quotations, *The Times-Picayune*, New Orleans, Louisiana.)

There is a difference of about \$3 per 100 pounds, on an average, between the prices of choice grades and common to fair grades. But in the periods of high prices, as in 1929, this difference was a premium for the choice steers of about 44 per cent, while in 1933, a year of low prices, the premium for choice grades amounted to about 140 per cent. Here the importance of good breeding of beef cattle is very clearly pointed out.

New Orleans market. Nor were they due entirely to changes in business conditions. The curves coincide very definitely with what is known as "cattle price cycles." The figure on the cover shows very clearly the regularity with which the cycles occurred over a period of 72 years, 1867 to 1938. Five cycles appeared during this period at intervals of about 15 years.⁹

Special attention should be called to the cattle price cycle for the reason that it appears to be a regular phenomenon which greatly affects the cattle business. It seems to operate independently of business booms and depressions and should be carefully considered by the producer in the promotion and regulation of his livestock production.

There is considerable difference in the prices of the various grades of steers at New Orleans. The difference in cents per pound, or dollars per 100 pounds, is quite constant throughout the period. But the percentage difference in periods of low prices is much greater than in periods of high prices. For example, in 1929, when prices were high, choice steers brought an average of \$10.20 per 100 pounds and the common to fair grades sold at an average of \$7.10. The premium for choice grades was 44 per cent. But in 1933, with choice grades at \$4.80 per 100 pounds and common to fair grades at \$2.00 per 100 pounds, the premium amounted to 140 per cent. The premium for good grade cattle over the low grade clearly emphasizes the importance of quality at all times, and especially when *prices of cattle are low*.

One of the main sources of quality is good breeding, and another is the proper conditioning of the animal suitable to a particular market. A steer may have the best breeding and lack proper conditioning for market; on the other hand, an animal of very common breed may get good rating at the market, if properly conditioned. There is no doubt, however, that better breeding provides greater capacity for the development of most desirable type and condition. The demands of the market should be studied carefully by the producer so that he may know the best types to produce and may adjust breeding and feeding to this end. Only in this way can he expect to make the most profits out of livestock production in Louisiana.

To know the best time of the year to sell steers on the New Orleans market is important. The information presented in Table 3 shows the average monthly prices of each grade of steers for thirteen years, 1925-1937. All grades brought the highest prices during April, with an index of 110.8. November was the lowest month, with an index of 92.8. From November to April there was a gradual rise in prices for all grades, and from April to November, a gradual decline. In addition to the monthly price information, the producer needs to consider the probable gains or losses incurred in the condition of his steers by selling at a particular time. These two factors, the monthly index of prices and the prospects of gains or losses in condition, would largely determine the best time of the year to place steers on the market at New Orleans.

PURCHASING POWER OF STEERS. What was the purchasing power¹⁰ of steers from

⁹Peaks in the index of purchasing power occurred in 1871, 1885, 1899, 1914 and 1929, or at intervals of 14, 14, 16 and 14 years, respectively, forming regular cycles. The cycles are evidently caused by the slowness of production in its adjustment to price. Prices rise to a peak while production lags and then fall when overtaken by an excessive supply. These cyclical movements appear to be independent of business booms and depressions.

The data for the curve appearing in the figure on the cover were obtained by dividing the index of the prices of all cattle by the index of the wholesale prices of all commodities. For the prices of all cattle, the January 1st Louisiana farm value per head was used, and for the wholesale price index, the index for the month of January was used.

Source: "Louisiana Prices per Head of All Cattle," *Livestock on Farms, January 1, 1867-1919. Revised Estimates, Number, Value per Head, Total Value, By States and Divisions*, U. S. Department of Agriculture, Bureau of Agricultural Economics, Washington, D. C., 1938, p. 111; and "Wholesale Prices of All Commodities," *Gold and Prices*, Warren and Pearson, New York, 1935.

¹⁰By purchasing power is meant, usually, the relation of the price of one commodity to the price of all commodities combined, or to the general price level; or, in another way, it is the exchange value of one commodity as compared to other commodities. The purchasing power in Figure 8 was calculated by dividing the value of the steer at the New Orleans Market price by the price of a plow at wholesale.

TABLE 3.—Average Monthly Prices of Steers at New Orleans, by Grades, and Seasonal Index, 1925-1937.

(Dollars per 100 lbs.)

Grade	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Choice	7.82	7.48	7.63	7.94	7.76	7.67	6.64	7.22	6.80	6.92	6.90	6.90
Fat-mixed	5.69	6.39	6.28	6.56	6.57	6.35	6.06	5.70	5.08	5.49	5.49	5.50
Fair to good	4.92	5.08	5.20	5.52	5.42	5.13	4.77	4.51	4.45	4.53	4.51	4.54
Common to fair	4.08	4.09	4.33	4.63	4.51	4.34	4.01	4.00	4.01	4.06	3.25	3.81
Average	5.63	5.74	5.86	6.16	6.07	5.87	5.37	5.36	5.11	5.25	5.16	5.19
Seasonal Index	101.3	103.2	105.4	110.8	109.2	105.6	96.6	96.4	91.9	94.4	92.8	93.3

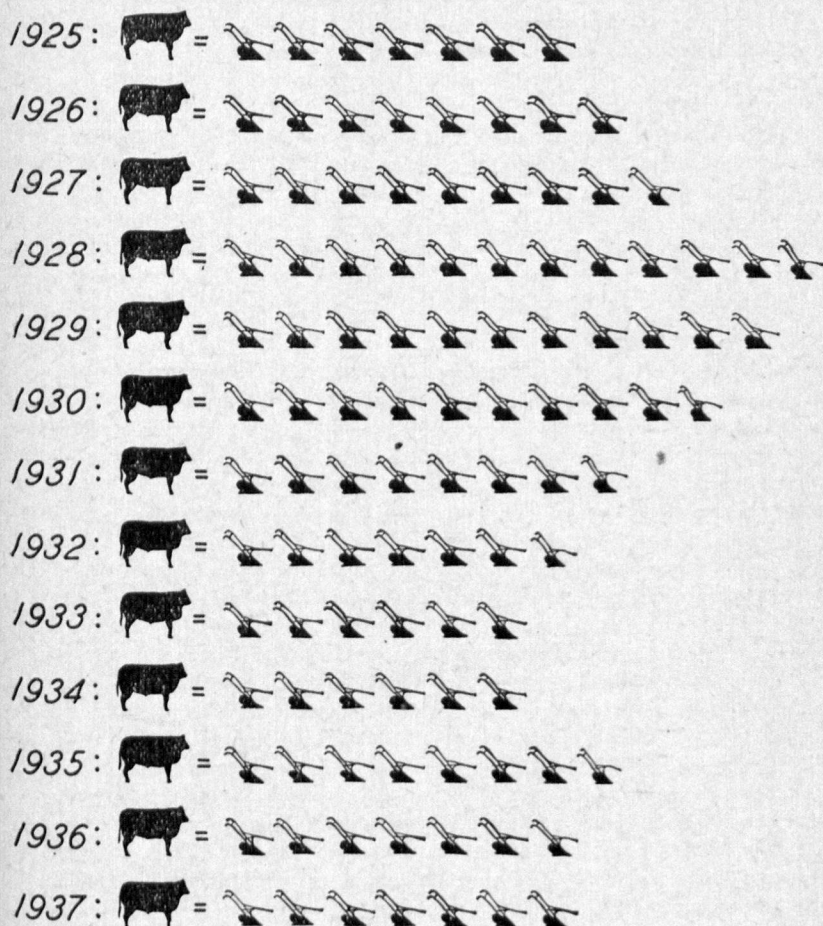


FIGURE 8. NUMBER OF ONE-HORSE WALKING PLOWS FOR WHICH AN 800-POUND CHOICE STEER WOULD EXCHANGE IN LOUISIANA, 1925-1937.

The highest purchasing power of the steer, in terms of plows, was in 1928, at 12 plows. The lowest purchasing power was in 1933 and 1934, when the steer would exchange for only 6 plows. The ratio rose to 8 in 1935, but dropped to 7 in 1936 and 1937.

The steer prices are those quoted by the New Orleans Livestock Exchange, Limited. Plow prices were obtained from *Wholesale Prices*, Bureau of Labor Statistics, United States Department of Labor. Average yearly prices were used.

1925 to 1937? The answer is given, in a limited way, in Figure 8, where the price of a steer, a product the farmer has to sell, is compared with the price of a one-horse plow, an article the farmer has to buy. The peak of purchasing power was reached in 1928 when an 800-pound steer of choice grade would exchange for 12 one-horse plows. The lowest value of the steer in terms of plows was reached in 1933 and 1934 when a choice steer would exchange for only six plows. The purchasing power of the steer increased to eight plows in 1935 but dropped to seven in 1936 and 1937.

The price of the product the farmer had to sell fluctuated more than did the price of the article he had to buy. For instance, the actual price of choice steers dropped 53 per cent from 1929 to 1933, while the price of one-horse plows dropped only 9 per cent. From 1934 to 1937, the price of the steer increased 43 per cent and the price of the plow increased about 15 per cent. In view of the greater fluctuation of the price of steers than that of plows, one may conclude that in so far as this comparison is applicable to actual farm conditions, the farmer's financial welfare is tied up to a great extent in the price of products he has to sell.

PRICES OF STEERS AT NEW ORLEANS COMPARED WITH OTHER MARKETS. How do the prices of steers at New Orleans compare with the prices at other markets? This question cannot be answered very satisfactorily because the grading systems are different. For instance, a "choice" steer at New Orleans* would show a lighter finish than one which would grade "good" on the western markets. Lighter steers at New Orleans are graded up because of the lack of heavier types for top grades. A steer that is classed as "choice" at East St. Louis, for example, is usually a heavy steer, which is common in the grain region but is seldom seen in the cattle producing area of New Orleans. The almost total absence of this heavy type of steer at New Orleans is not due entirely to the limitations of local production, but to the selective demand of the local trade. For reasons peculiar to New Orleans, and to the South generally, light weight beef animals are very much preferred; and if heavy beef were produced, it would not find a strong demand at this market. As previously pointed out, New Orleans is an importing market and has to bid for its livestock supply, and if heavy steers were sufficiently in demand, the desired number would be promptly imported. To substantiate this statement, New Orleans meets the demand for calves by entering the competitive market, as shown by the heavy receipts from Texas and other distant areas. Shipments of calves from Fort Worth to New Orleans are reported as regular. The lack of interest at New Orleans in heavier cattle is indicated by the lack of competitive prices for them. But for the choice lighter weights of livestock, the demand and the price at New Orleans appear to be quite satisfactory.

To summarize briefly, prices of steers moved upward from 1925 through 1929, then down until 1933, and upward again until 1937. These general movements coincided very closely with the cattle price cycle. Good quality steers bring a premium over the low grades at all times, and especially during periods of low prices. The best time of the year to sell steers on the New Orleans market, when based on price, is in April. New Orleans is not an especially good market for heavy steers, but maintains a strong demand for the choice lighter weights. Differences in grading systems prevent a true comparison of steer prices at New Orleans with other markets.

Calves

PRICES OF CALVES. The average prices for calves at New Orleans, by grades and by months, are presented in Figure 9. Prices for choice calves, 125-225 pounds, rose to a high average during the period from February, 1926, to June, 1930, reaching the highest point in April, 1929, at \$13.63 per 100 pounds. Following a sudden drop in July, 1930,

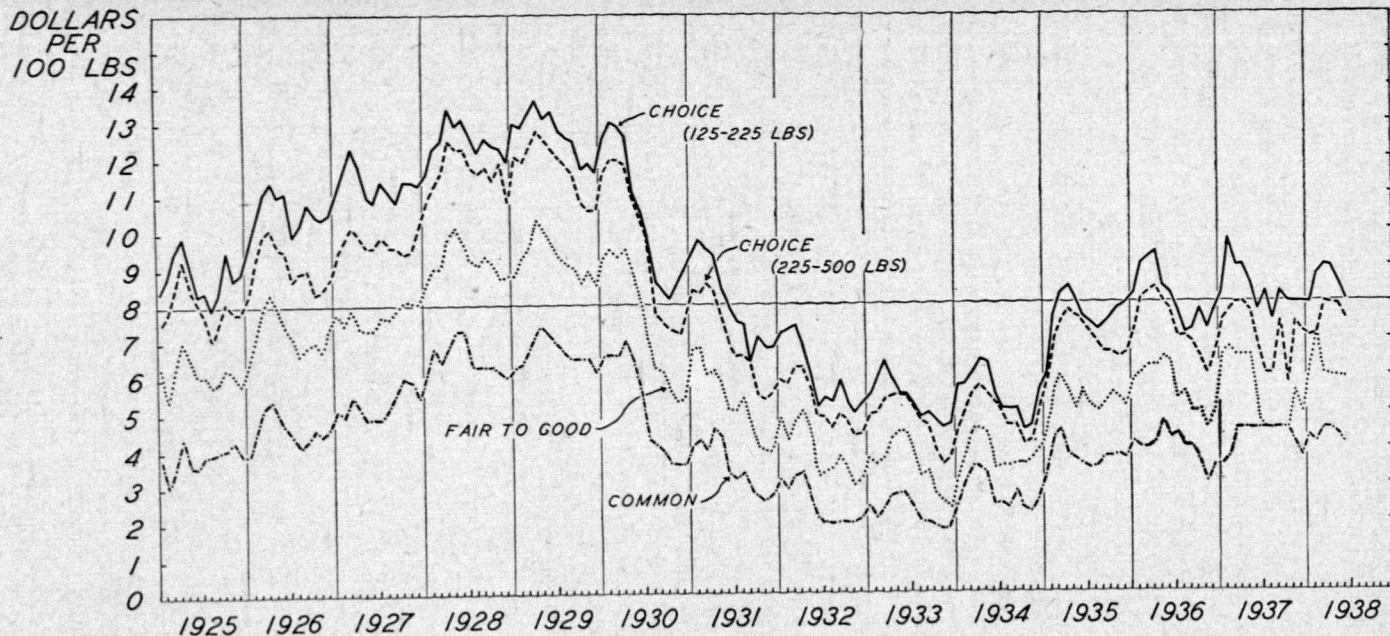


FIGURE 9. AVERAGE PRICES OF CALVES AT NEW ORLEANS BY MONTHS AND BY GRADES
1925-1938

(From daily quotations, one quotation for each week taken at random. *The Times-Picayune*, New Orleans, La.)

There was a difference of about \$4.50 per 100 pounds, on an average, between the prices of lighter choice calves and common calves from 1925 to 1937, with a difference of \$6.04 in 1929 and \$3.07 in 1933. Even though the actual difference in price was greater in 1929 when prices were high, the relative difference was greater in 1933 when prices were low. For example, in 1929, the percentage difference was 91 per cent and in 1933, 135 per cent. Hence, difference in quality makes a great deal of difference in relative price.

prices of calves declined to extremely low levels in 1932 to 1934. Marked revival was shown in 1936 with the light, choice grade up to an average of \$8.16 per 100 pounds. The price for heavier choice calves, 225-500 pounds, follows very closely that of the lighter weights.

The percentage of price spread for calves, like that for steers, varies considerably during periods of high and low prices. For example, in 1929, choice calves sold at New Orleans for an average of \$6.04 per 100 pounds above the common grades, or for a premium of 91 per cent, while during the low prices of 1933, the choice grades brought \$3.07 per 100 pounds more than common grades, or a premium of 135 per cent. Good quality always brings a premium and especially during periods of depressed prices.

SEASONAL VARIATIONS IN CALF PRICES. Seasonal variations in prices of calves are presented in Table 4. All grades bring the highest prices in April and the lowest prices in November. The period of higher prices is from January to June, and the period of lower prices is from August to December. A careful study of these indexes of prices should be of value to the producer in determining the best time of the year to sell calves on the New Orleans market, in so far as prices are concerned. But the problem of production is more seasonal in the case of calves than in the case of steers. Calves are produced and marketed more like an annual crop. Usually calves dropped in the spring or winter are ready for market in the fall. This seasonal movement in production is reflected in the monthly variations in receipts at the New Orleans market, as shown in Figure 7.

PRICES OF CALVES AT NEW ORLEANS COMPARED WITH OTHER MARKETS. It has already been pointed out that New Orleans is more of a calf market than a cattle market and ranks high in prices paid for calves. It is on about an equal basis with East St. Louis, and Kansas City for medium to choice grades, weighing 225 to 500 pounds, for the 12-year period, 1925-1937, and about 15 per cent higher than Fort Worth, the nearest competitive market. For choice veal calves, New Orleans ranks second only to East St. Louis, and 17 per cent above Kansas City. From the standpoint of price, New Orleans is an attractive calf market. The following data give the actual average prices at four markets for two different grades of calves for the 12 years, 1925 to 1936:¹¹

Market	Choice Vealers		Medium to Choice Calves	
	Actual price per 100 lbs.	Per cent of lowest market	Actual price per 100 lbs.	Per cent of lowest market
East St. Louis	\$9.26	123	\$6.89	112
New Orleans	8.89	118	7.07	115
Kansas City	7.50	100	6.53	106
Fort Worth	8.44	113	6.15	100

In summary, it is clear that New Orleans is a relatively strong calf market. Choice grades, 125-225 pounds, topped the market for all classes and grades of cattle and calves. This grade of calves averaged \$4.65 per 100 pounds above the common grade. Good quality is emphasized at all times. New Orleans ranks high compared with such calf markets as East St. Louis, Kansas City and Fort Worth.

YEARLINGS: This class falls between calves and steers. Like heavier choice calves, light choice yearlings sell at a price slightly below light choice calves. The heavy choice yearlings may be classed very close to light choice steers in quality and price.

¹¹ Average monthly prices compiled by Statistical Section, Livestock, Meats and Wool Division, Bureau of Agricultural Economics, Washington, D. C. (mimeograph form).

TABLE 4.—Average Monthly Prices of Calves at New Orleans by Grades, and Seasonal Index, 1925-1937.

(Dollars per 100 Pounds)												
Grade	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Choice (125-225)	8.98	9.72	9.81	9.84	9.20	8.84	8.44	8.25	8.36	8.36	8.26	8.35
Choice (225-500)	8.02	8.41	8.79	8.96	8.57	8.19	7.83	7.50	7.60	7.11	7.15	7.28
Fair to Good	6.38	6.36	6.78	6.99	6.78	6.25	5.93	5.77	5.96	5.82	5.58	5.58
Common	4.24	4.37	4.63	4.81	4.59	4.36	4.11	3.92	4.06	3.95	3.86	3.84
Average	6.91	7.22	7.50	7.65	7.29	6.91	6.58	6.36	6.50	6.31	6.21	6.26
Seasonal Index	101.5	106.0	110.1	112.3	107.0	101.5	96.6	93.4	95.4	92.7	91.2	91.9

Cows: The average price of choice cows during the high level of 1928 and 1929 was \$8.47 per 100 pounds, and declined during the depression years, 1932 to 1934, to \$3.34 per 100 pounds. Poor grades, such as canners and cutters, sold at an average of \$5.23 per 100 pounds in 1929 and declined to an average of \$1.56 in 1933. As the price declined, the relative spread between the prices for choice grades and canners and cutters increased in favor of the better grades. For example, in 1929 the choice grades were 62 per cent above canners and cutters, while in 1933 the spread between similar grades was 100 per cent.

ALL CLASSES OF CATTLE: The average yearly prices of cattle and calves, in dollars per 100 pounds, at New Orleans for the period 1925-1937, by classes and grades, have been as follows:

<i>Class</i>	<i>Choice</i>	<i>Fair to Good</i>	<i>Common</i>
Calves (125-225 lbs.)	\$8.85	\$6.18	\$4.26
Yearlings	7.89	5.91
Steers	7.34	4.88	4.21
Cows	5.53	4.28	3.07
Bulls and Stags	4.95	3.98

Choice light calves have topped the market, followed closely by choice yearlings. Unfortunately, data are not available to show what proportion of the total cattle and calf receipts move at the different grades. It is probable that for calves the better grades move in relatively larger volume than do the poorer grades. Further study is necessary in order to give full significance to price variations between grades.

HOG RECEIPTS AND PRICES

SOURCES OF RECEIPTS. Hog Receipts at the New Orleans stockyards from 15 states for each year from 1928-1937 are shown in Table 5. Louisiana led with 71 per cent in 1937, and was second with 31 per cent of the total in 1928. Mississippi ranked first in 1928, with 50 per cent, and second in 1937, with 22 per cent of the total receipts. The combined receipts from Alabama, Tennessee, and Texas declined greatly during the ten-year period, though Tennessee receipts did reach a high point in the years 1932 to 1934.

The marked change in the percentages from each state between 1928 and 1937 is quite evident in Figure 10.

Ninety-one per cent of the hog receipts at New Orleans in 1937 were delivered by truck. Of these truck deliveries, 72 per cent were from Louisiana, 22 per cent from Mississippi, and 6 per cent from Alabama. Most of the truck receipts from Louisiana came from parishes within 150 miles of New Orleans.

SEASONAL VARIATION IN HOG RECEIPTS. Receipts of hogs at New Orleans are highest during the months from October to March, and lowest during June, July, and August. Receipts in January have been about 77 per cent above the seasonal average for the period, 1925-1937. The next highest months have been November, December and February. The lowest average receipts have been in July, with only 42 per cent of the seasonal average. Normally, there is a gradual decline in receipts after January until July, after which an increase begins.

RECEIPTS OF HOGS AT NEW ORLEANS COMPARED WITH OTHER MARKETS. A comparison of the receipts of hogs at New Orleans with those at Chicago, East St. Louis, Kansas

TABLE 5.—Hog Receipts at New Orleans, by States, and Per Cent of Total Receipts from Louisiana, 1928-1937.*

State	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937
Louisiana	15,045	25,256	21,720	11,687	8,149	6,356	3,785	16,170	21,526	29,727
Mississippi	24,612	12,423	12,176	5,753	4,930	3,033	735	2,909	8,062	9,351
Alabama	2,310	3,056	1,679	1,539	928	355	0	576	1,666	2,801
Tennessee	4,157	1,059	3,139	2,440	5,531	10,405	7,731	1,864	0	0
Texas	1,389	3,701	6,321	459	487	3,641	1,058	687	67	109
Others	1,555	1,839	2,010	4,796	2,509	3,430	8,936	0	346	129
Total	49,068	47,334	46,045	26,674	22,534	27,220	22,245	22,206	31,667	42,117
Per cent of total from Louisiana	30.7	53.4	45.0	43.8	36.2	23.4	17.0	72.9	68.0	70.6

*Source: New Orleans Livestock Exchange, Limited, Arabi, Louisiana.

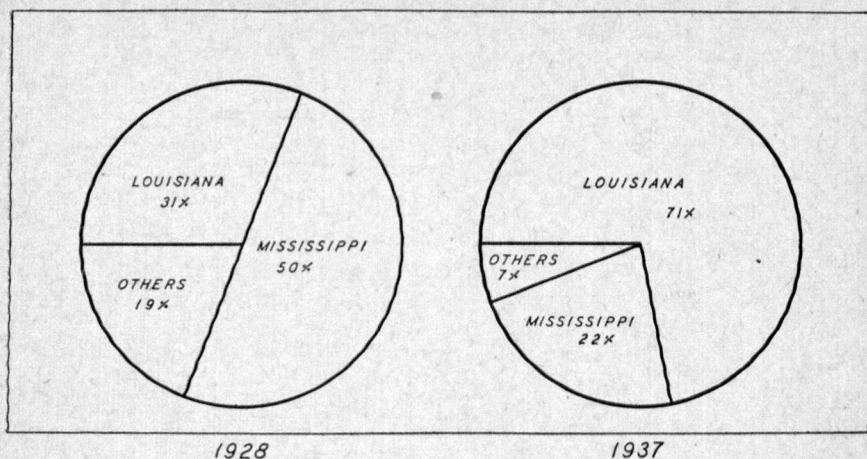


FIGURE 10. PERCENTAGE CHANGES IN HOG RECEIPTS AT NEW ORLEANS, BY STATES, BETWEEN 1928 AND 1937.

The percentage of receipts from Louisiana more than doubled between 1928 and 1937. The percentage of receipts from Mississippi decreased more than half, and the percentage from Other States declined by two-thirds.

City and Fort Worth shows that New Orleans, though the smallest, was one of the steadiest of these markets from 1928 to 1930, and next to Kansas City, had the greatest relative decline during the depression period, 1932-1934.¹² All of the large markets had a sharp increase in receipts in 1934. This increase was no doubt accentuated by the drought of that year and the emphasis on demand due to the Emergency Relief Administration program. The participation of New Orleans in these receipts appears to have been very small since its market area was almost entirely outside the drought region.

PRICES OF HOGS. The average prices for corn-fed hogs weighing 140 pounds and over, and feeder hogs at New Orleans for each month during the period 1925-1938, are shown in Figure 11. The prices for all classes and grades at the New Orleans market moved upward in the price cycle in 1925 and 1926, with the heavier corn-fed hogs bringing the highest price. This grade reached its peaks in October, 1925, and July, 1926, at \$13.19 per 100 pounds. Corn-fed pigs, 80 to 140 pounds, reached a peak in July, 1926, at \$13.43 per 100 pounds. The heavier type brought the highest average price during the entire period.

Hogs of "soft" quality sold at fair prices during the years of strong demand, ranging from \$2.50 to \$3.00 per 100 pounds below the heavier corn-fed grade.

Feeder hogs find a good market at New Orleans. They move on an average of about \$1.00 per 100 pounds below the price of heavy corn-fed hogs.

The hog price cycle is about four to six years in length. Peaks occurred in 1925 and again in 1929. The depression has affected the time of the next normal rise.

SEASONAL VARIATIONS IN HOG PRICES. When can the best prices for hogs be obtained on the New Orleans market? This question is answered by the data presented in Table

¹² Based upon the annual receipts from 1925 to 1936, using the three-year period, 1925-1928, as 100.

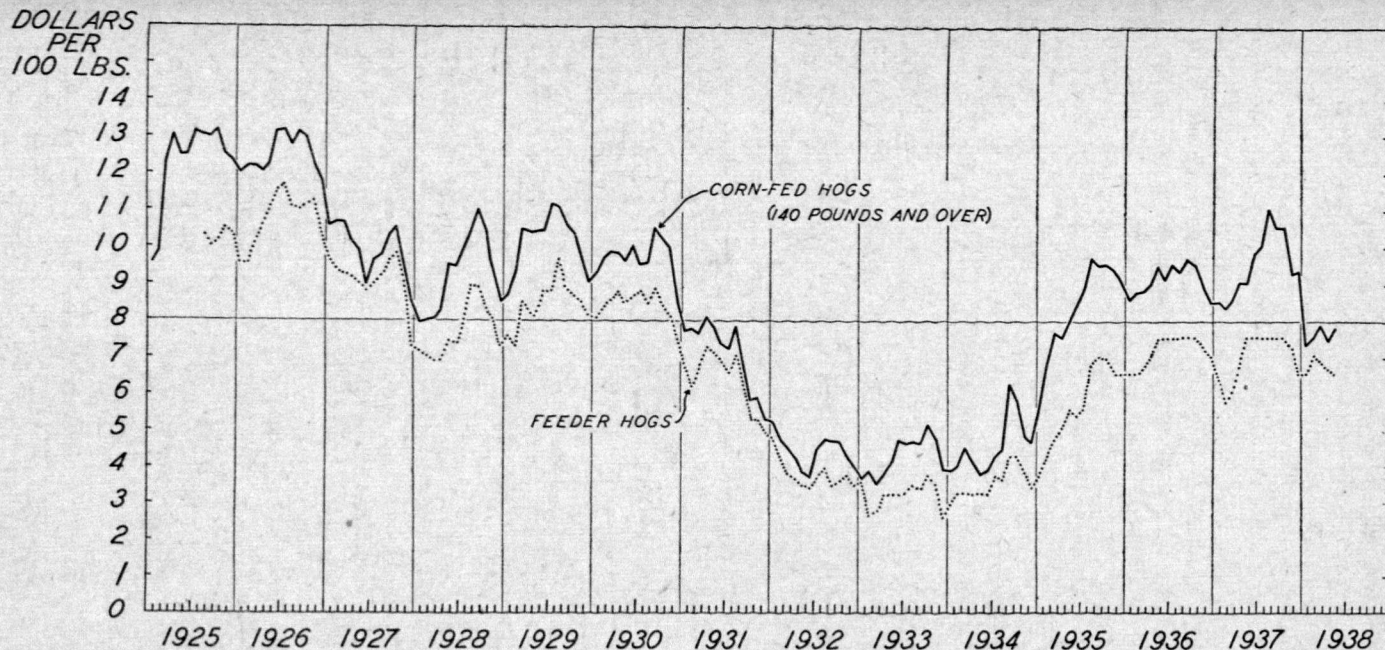


FIGURE 11. AVERAGE MONTHLY PRICES OF CORN-FED HOGS, 140 POUNDS AND OVER, AND FEEDER HOGS AT NEW ORLEANS, BY GRADES, 1925-1938.

(From daily price quotations, *The Times-Picayune*, New Orleans, Louisiana.)

The highest price for corn-fed hogs was paid in 1925. There was another, but lesser, peak in 1929, four years later. These peaks coincide with the hog price cycle which occurs at intervals of about four to six years. Hog prices rose to a high level again in 1937.

6, which gives the 13-year average monthly prices for the heavier type corn-fed and the feeder hogs. The highest average monthly price for corn-fed hogs is paid in September, and for feeder hogs in August. The lowest price for hogs at New Orleans is paid in December. There is a gradual decline in the seasonal price after August until the low point is reached, and a gradual recovery after December until the following August. The monthly variations showed the same seasonal tendency from year to year.

PRICES OF HOGS AT NEW ORLEANS COMPARED WITH OTHER MARKETS. On the basis of price, the hog market at New Orleans compares quite favorably with such markets as East St. Louis and Kansas City. The spread in price becomes relatively minor in the case of corn-fed hogs over the 13-year period, as is shown by the monthly average prices of \$7.98, \$7.84 and \$7.81 per 100 pounds for East St. Louis, Kansas City, and New Orleans, respectively. The producer would have to deduct freight charges to the possible market to determine his net price at each market.

A much wider price spread between the same markets is apparent for feeder hogs, Kansas City and East St. Louis prices being 21 and 16 per cent higher, respectively, than the New Orleans quotation of \$6.55 per hundredweight. Lack of data prevents a similar comparison with Fort Worth, a market located in the cotton belt.

DOES QUALITY COUNT? Quality in market hogs is highly significant to the producer and commands relatively greater premiums when prices are depressed. When prices are low, hogs of poor quality are little in demand, thus making high quality all the more important.

PURCHASING POWER OF HOGS. The farmer is interested not only in the price he receives for hogs but in their purchasing power in terms of things he has to buy. Since overalls are one of the most common articles purchased on the farm, a comparison between prices of these two items, hogs and overalls, is made for the twelve years, 1926 to 1937, in Figure 12.

The peak of purchasing power of hogs was reached in 1926 while the peak for steers occurred in 1928. The lack of coincidence of these two phenomena is due to the differences in the price cycles, as previously explained. From the high point in 1926, when a 150-pound corn-fed hog would exchange for 16 pairs of overalls, to 1934, when the purchasing power moved downward to five pairs of overalls, the decline was 70 per cent. But with an upward trend, the hog, by 1937, would exchange for 10 pairs of overalls.

Hog prices vary much more than the prices of overalls. For example, from 1926 to 1933 hog prices dropped 66.3 per cent while the price of overalls dropped only 5.2 per cent; from 1933 to 1937 the price of hogs moved upward 99 per cent and the price of overalls went up 27.5 per cent. Thus, in this comparison we find that the price of the product the farmer has to sell fluctuates more than does the article he has to buy.¹³

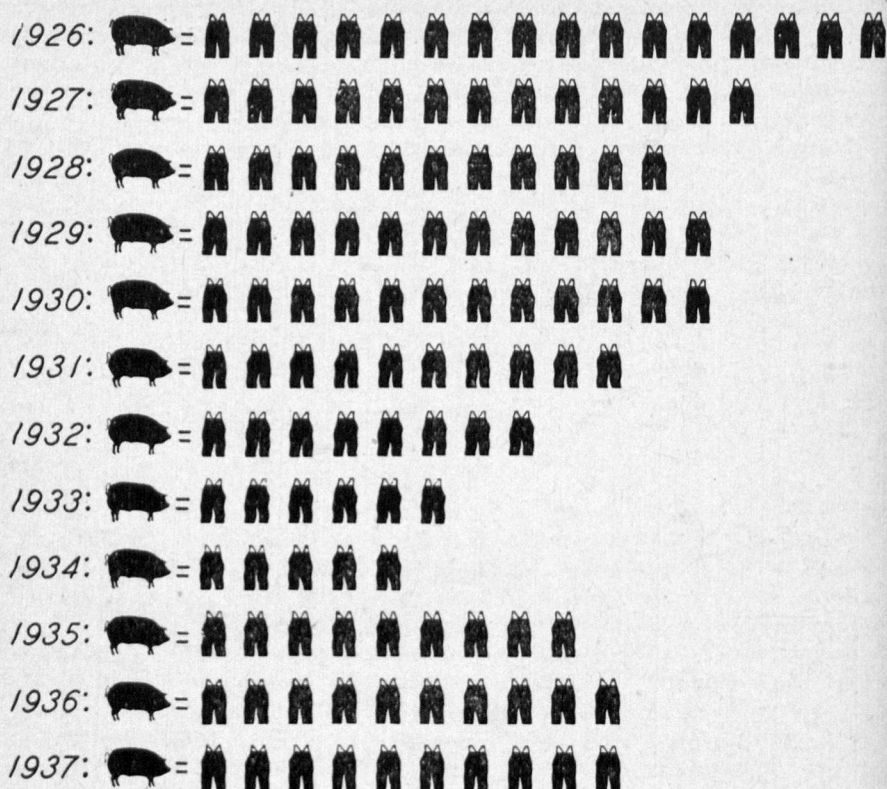
In summary, it appears that receipts of hogs at New Orleans have fluctuated widely from peaks in 1925 and 1926 to a low level in 1935, only to regain most of the losses by 1937. During this period receipts from Louisiana have more than doubled; Mississippi receipts have been reduced to less than half their former level; and other states, in recent years, have supplied only a negligible amount. The receipts from Louisiana originate largely in the parishes near New Orleans, with over 90 per cent of the hog deliveries being made by truck.

¹³ The prices for overalls were supplied by J. C. Penny Company, Incorporated, New York, in letters dated Jan. 13 and Feb. 2, 1938, from Mr. F. W. Binson, Merchandise department, to Mr. J. D. Stotler, of J. C. Penny Company Store No. 495, Baton Rouge, Louisiana, quoting average yearly prices of Pay Day Overalls. Special acknowledgment and appreciation are extended to Mr. Stotler. Hog prices were obtained from Times-Picayune daily quotations as supplied by the New Orleans Livestock Exchange, Limited.

TABLE 6.—Average Monthly Prices of Corn-Fed Hogs and Feeder Hogs at New Orleans, and the Seasonal Index, 1925-1937.*

Grade	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Corn-fed 140-over	\$7.67	\$7.97	\$8.34	\$8.10	\$8.61	\$8.47	\$8.79	\$8.95	\$9.08	\$8.92	\$8.36	\$7.63
Feeders	6.59	6.43	6.68	6.89	7.01	7.11	7.27	7.50	6.63	7.30	7.15	6.55
Average	7.13	7.20	7.51	7.50	7.81	7.79	8.03	8.23	7.86	8.11	7.76	7.09
Seasonal index	93.0	93.9	97.9	97.8	101.8	101.6	104.7	107.3	102.5	105.7	101.2	92.4

*Hogs and Pigs "soft" are omitted because of incomplete price quotations.



*FIGURE 12. NUMBER OF PAIRS OF OVERALLS FOR WHICH
A 150-POUND CORN-FED HOG WOULD EXCHANGE IN
LOUISIANA, 1926-1937.*

Purchasing power was highest in 1926 when the hog would exchange for 16 pairs of overalls, and lowest in 1934 when only five pairs of overalls could be bought with a 150-pound corn-fed hog. Marked recovery in purchasing power of hogs in Louisiana is indicated in 1936 and 1937.

Heavier corn-fed hogs, 140 pounds and over, are most desired at this market. Feeder hogs also are in good demand. "Soft" hogs bring a fair price when the demand is especially strong. Prices showed a marked recovery by 1937. The highest average prices during the year occur in September and the lowest prices in December. The hog market at New Orleans ranks favorably with such markets as East St. Louis and Kansas City. During the 13-year period, purchasing power was highest in 1926 and lowest in 1934.

SHEEP, LAMB, AND GOAT RECEIPTS AND PRICES

SOURCES OF RECEIPTS. The receipts of sheep and lambs at the New Orleans stockyards declined from 2,490 head in 1925 to only 876 head in 1937, or about 65 per cent.

The proportion of receipts from Louisiana decreased slightly from 67 per cent of the total in 1928, the first year for which receipts by states are available, to 64 per cent in 1937. Receipts were still declining in 1937. Truck deliveries of sheep and lambs comprised 71 per cent of the total receipts in 1937. Of the truck receipts, 77 per cent came from Louisiana.

Sheep and lamb receipts at New Orleans have declined much more rapidly than at "all public" stockyards, East St. Louis, Chicago, or Kansas City. As pointed out previously, one of the causes for this excessive decline in receipts has been the lack of a continuous supply of good quality.

PRICES OF SHEEP AND LAMBS. Sheep and lamb prices at New Orleans lack any violent yearly or seasonal fluctuations, which indicates a steady demand, either weak or strong. Fat sheep ranged in price from an average of \$7.92 per 100 pounds in 1925 to a low point of \$3.50 in 1934 and to \$5.00 in 1937. The common grade of sheep moved from \$6.15 in 1926 to the very low mark of \$1.50 per 100 pounds in 1933 and 1934, and then upward to \$2.75 in 1937.

The market is much better for lambs than for sheep, with a price ranging from \$10.10 per 100 pounds in 1928 to \$5.17 in 1932, and upward to \$7.00 in 1937. Common lambs moved from \$7.02 in 1928 to \$2.24 per 100 pounds in 1933, and upward to \$3.00 per 100 pounds in 1937.

Lamb prices at New Orleans have been well below those paid by other markets. For example, the average prices of lambs at New Orleans, Fort Worth, and East St. Louis, for the twelve-year period, 1925-1936, were \$8.18, \$9.37, and \$10.55 per 100 pounds, respectively, for comparable grades.

PRICES OF GOATS. The prices for goats showed very few changes throughout the period. The price for fat grade in 1925 was \$3.88 per 100 pounds. The average monthly price of \$4.00 remained constant for the years 1926 to 1929. The price for 1930 was \$3.33, for 1932 to 1936, \$2.50. Common grades sold at \$2.25 per 100 pounds from 1925 to 1930, and the prices ranged from \$1.13 to \$2.00 per 100 pounds from 1931 to 1936.

SUMMARY AND CONCLUSIONS

This study of the livestock market at New Orleans presents, first of all, a rather limited description of the livestock dealers' organizations connected with the market, the particular marketing functions performed by each, their regulations, charges made for their services, and the authority under which they operate. No attempt has been made to appraise the adequacy of these organizations in serving the livestock producers or buyers who deliver livestock to the New Orleans market.

The second, and by far the more important, task in this report has been to describe the market as found in the classes and kinds of livestock received, the sources of these receipts, the sources and amounts of deliveries by truck, the price trends, the premiums and discounts for quality and classes, and comparisons between the New Orleans market and other important markets. The main period covered for receipts and prices at New Orleans is 1925 to 1937. Truck deliveries are for 1937. Farm value data for beef cattle extend as far back as 1867.

It is evident from contrasts of data on prices and receipts and action on the market that the practice of "speculation" is a useful function so long as the dumping of meat from out-of-state packing houses continues to such an extent that the demand for livestock on the local market is suddenly paralyzed. Livestock in the yards or in transit must be cared for until local buyers reenter the market.

Average yearly receipts at New Orleans for the period 1925 to 1937, by kinds and

classes, have been as follows: calves, 99,324; cattle, 56,605; hogs, 34,011; and sheep, 1,487. During this thirteen-year period the long-time trend of receipts has been downward for all classes, except calves, although all classes and kinds reached their low points in 1932 or 1933, except hogs, and have advanced appreciably since that time. Hogs reached a low point in 1935, but advanced sharply in 1936 and 1937.

Between 1928 and 1937, shipments from Louisiana increased from 43 to 63 per cent of the total receipts (number of head) of cattle; decreased from 39 to 36 per cent of calves; increased from 31 to 71 per cent of hogs; and decreased from 67 to 64 per cent of sheep and lambs. Texas led as a source of calf receipts, having increased from 19 per cent of the total in 1928 to 52 per cent in 1937. Cattle receipts from Texas increased from 2 per cent in 1928 to 13 per cent in 1937.

Truck-ins in 1937 accounted for 66 per cent of all cattle receipts, 34 per cent of the calf receipts, 91 per cent of the hog receipts, and 71 per cent of the receipts of sheep and lambs. Of these truck-ins, Louisiana supplied 76 per cent of the cattle, 77 per cent of the calves, 72 per cent of the hogs, and 77 per cent of the sheep and lambs.

Receipts of all kinds and classes of livestock have seasonal variations. Cattle receipts are relatively high in January, May, and October. Calf receipts are highest in September and October and lowest in March. Hog receipts are highest in January followed by November, December, and February, and lowest in July.

New Orleans is primarily a calf market, with 64 per cent of the total receipts of cattle and calves being calves, compared to 30 per cent at "All Public" stockyards, 20 per cent at Chicago, 17 per cent at Kansas City, and 30 per cent at Fort Worth. Where other markets normally had three head of cattle to one calf, New Orleans had about two calves to one head of cattle.

Price and production cycles exist for the different kinds of livestock, due to the manner in which producers enlarge or contract their output. Producers seek to give consumers what they say they want through their price offers. Some of these cycles, particularly those for cattle and calves, are more regular than others in their occurrence. Since 1867 the cycle for cattle has reached its peak at intervals of 14, 14, 15, and 15 years. The last peak was in 1929. Producers should make use of this phenomenon at the present time if they expect to make the most out of their cattle industry. There is no great likelihood that this phenomenon will change greatly in the future.

There is a fairly constant relationship between prices for different grades under different conditions of the general price movement, such as in the relatively high price years of 1928 and 1929, and in the very low price years of 1932 and 1933. For all kinds and classes of livestock, the *absolute spreads* in prices between qualities or grades were about the same at all times, but the relative differences were greater in periods of low prices than in periods of high prices. For example, choice steers sold at a premium of 44 per cent over common to fair grades in 1929, and at a premium of 140 per cent in 1933. Also, choice calves sold at a premium of \$6.04 per 100 pounds, or 91 per cent, over common calves in 1929. In 1933, the prices had declined to \$5.34 and \$2.27 per 100 pounds, respectively; but this advantage for choice grades over common grades amounted to 135 per cent.

Over the twelve-year period, 1925 to 1936, New Orleans has ranked well up with such a market as East St. Louis and above Kansas City and Fort Worth in the price of choice calves. The price of steers at New Orleans could not be compared with other markets on account of a difference in grading systems. However, New Orleans has been pointed out as a good market for good lightweight steers and yearlings as well as calves. The price of corn-fed hogs at New Orleans has been practically as high as that paid at midwestern markets.

Lamb prices at New Orleans have averaged, for the twelve years, 1925-1936, \$1.19 and \$2.40 per 100 pounds below Fort Worth and East St. Louis, respectively.

On the basis of the long time price average, the New Orleans market has been relatively strong for calves and corn-fed hogs.

The withdrawal of federal inspection at New Orleans in 1932 and the resulting restriction of potential buyers cannot be blamed for the great decline in livestock receipts, because most of this decline occurred before 1932. In fact, receipts of most kinds of livestock actually picked up after 1932. The more probable cause was the continued high level of cotton prices from 1922 to 1930. There is at present a large potential outlet for meat products in order to meet the needs of institutions in Louisiana or in the trade area of distribution centers located in Louisiana. These institutions bid only on federally inspected supplies, which automatically excludes products from Louisiana slaughter houses which do not have such inspection.

In conclusion, livestock producers in Louisiana have a market at New Orleans that has had declining receipts over the past decade or longer. This market has shown a marked increase in receipts during the past three years. The market still draws heavily for its supplies upon areas more remotely located than many Louisiana producing areas. Also, it offers relatively high prices, compared to other markets, for some of the better grades of livestock.

New Orleans does not get the heavier grades of choice steers and does not demand them. But for choice light-weight steers, yearlings, choice calves, and corn-fed hogs, this market ranks favorably with the mid-western markets.

APPENDIX A

The New Orleans Stockyards Incorporated continues to operate under Tariff No. 2, issued April 20, 1929, and effective May 1, 1929, in compliance with the Packers and Stockyards Act, 1921, and approved August 15, 1921.

Tariff No. 2

SECTION No. 1

Yardage:

Cattle, per head.....	\$.35
Calves, per head.....	.20
Hogs, per head.....	.10
Sheep and Goats, per head.....	.07
Horses and Mules, per head.....	.35

Item 1. The above charges apply on all animals received, except consignments unloaded for packers and butchers for immediate slaughter and when not offered for sale, when one-half the regular charge will be made.

Item 2. One-half charge for yardage will be made on all transit shipments of livestock stopped at the New Orleans Stock Yards for shipping out, if delivered at pens by consignor, and not offered for sale or weighing. Shipments remaining in yards over 12 hours full yardage will be assessed.

Item 3. A service charge of \$3.00 per car will be made on all shipments stopped at the New Orleans Stock Yards for feed and water.

Item 4. Any special services required and not covered herein will be charged at a rate determined at the time.

SECTION No. 2

Dipping:

Cattle, first dip, per head.....	\$.15
Cattle, second dip, per head.....	.10
Hogs, one dip, per head.....	.03
Sheep, 100 head or less, per head.....	.15 Max. \$12.00
Sheep, over 100 and less than 300, per head.....	.12 Max. 28.00
Sheep, over 300 and less than 500, per head.....	.09 Max. 35.00
Sheep, 500 head and over, per head.....	.07

Trackage:

Per car

All tracks within the yards are owned and maintained exclusively by the New Orleans Stock Yards, Inc.

SECTION No. 3

Immunization of Hogs:

All work of temperaturing, vaccinating and spraying is done under the direct supervision of a representative of the Bureau of Animal Industry, United States Department of Agriculture.

This company provides the facilities (approved by the Bureau of Animal Industry, United States Department of Agriculture) necessary for the immunization of hogs; these are owned by the company and a charge of 5 cents per head is made for the use thereof.

Testing Cattle:

Special pens and equipment for use in testing cattle are provided and a charge of 25 cents per head for all cattle, except Stocker Calves. A charge of 12½ cents per head, is made for all Stocker Calves, for the use of pens and equipment. This equipment is owned by the company.

This company will not be responsible for stock damaged or to loss of stock moving to and from testing pens, or in process of testing, or in placing animals in stanchions.

SECTION No. 4

Rules:

No. 1. Any owner or shipper of livestock to these yards, who desires to handle and sell their own stock without the assistance of commission men or dealers, will be provided with suitable pens and given service equal to that furnished for stock handled through any other agency and at the same rates for service. This company may require payment of yardage, freight and other charges in advance of delivery of any livestock handled in this manner unless bond is furnished as is provided in rule two.

No. 2. No person, firm or corporation shall engage in the livestock commission or the business of dealing in livestock at these yards until such person, firm or corporation has entered into an agreement with this company to observe the rules and regulations adopted by this company for the government of business at its yards, to collect and pay over to this company all rates and charges of whatever kind that may be due or collectable by this company on all livestock received, sold or otherwise disposed of by such person, firm, or corporation and such person, firm, or corporation shall also furnish to this company, a bond in such amount, and with a good and solvent bonding company, as may be required by this company, should such person, firm or corporation desire the extension of daily, semi-weekly or weekly credit on the part of this company.

No. 3. The New Orleans Stock Yards, Inc., will not be responsible for loss or

damage to any livestock, not in its exclusive custody and for which notice is not given at the time of delivery from the custody of the company.

No. 4. All location of pens for sale or storage purposes will be made by the Superintendent of this company, subject to the approval of the Board of Directors and subject to change at any time without notice.

APPENDIX B

The tariff of rates and charges of marketing agencies operating on the New Orleans Livestock Exchange are regulated or approved by the Secretary of Agriculture as prescribed by the Packers and Stockyards Act, 1921. Tariff No. 5 which became effective June 21, 1937, and issued by the New Orleans Livestock Exchange, Ltd., is reproduced as follows:

ARTICLE I

Definitions

1. *A Consignment*, for the purpose of assessing selling charges is all the livestock of one species delivered in the name of one person to one Market Agency to be offered for sale during the trading hours of one day.

2. *A Consignment*, for the purpose of assessing buying charges is all the livestock of one species bought at any time, but shipped or delivered to one person on one market day.

3. *A Draft* is all those animals in one consignment weighed as a single sale or purchase classification.

4. *A Person* is an individual, a partnership, or an association of any such, acting as a unit.

5. *Light Weight Bovines* are animals of the bovine species weighed in drafts, the average weight of the animals in which is 300 pounds or under.

6. *Medium Weight Bovines* are animals of the bovine species weighed in drafts, the average weight of the animals in which is over 300 pounds and not over 700 pounds.

7. *Heavy Weight Bovines* are animals of the bovine species, weighed in drafts, the average in which the animals are over 700 pounds.

ARTICLE II

Selling Charges

All modes of arrival.

Animals of the Bovine Species:

Light Weight Bovines

Consignments of one head.....	\$.40 per head
Consignments of more than one head:	
1-20 head inclusive.....	.35 per head
Each head over 20.....	.25 per head

Medium Weight Bovines

Consignments of one head.....	\$.65 per head
Consignments of more than one head:	
1-20 head inclusive.....	.60 per head
Each head over 20.....	.50 per head

Heavy Weight Bovines

Consignments of one head.....	1.00 per head
Consignments of more than one head:	
1-20 head inclusive.....	.85 per head
Each head over 20.....	.75 per head

Dairy cattle, milkers or springers, cows with calves at feet being considered as one.....	1.50 per head
Swine	
Consignments of one head.....	.40 per head
Consignments of more than one head:	
1-40 head inclusive.....	.30 per head
Each head over 40.....	.10 per head
Sheep	
Consignments of one head.....	.40 per head
Consignments of more than one head:	
For any in the first 10 head in each 300.....	.30 per head
For any in the next 50 head in each 300.....	.20 per head
For any in the next 60 head in each 300.....	.10 per head
For any in the next 130 head in each 300.....	.03 per head
For any in the next 50 head in each 300.....	.02 per head

ARTICLE III

Extra Service Charges

For each additional draft over 3 in any one consignment.....	\$.15
For each additional check, each additional account sales, each additional proceeds deposit over 1 per consignment.....	.05
For each additional day after arrival, of milk cows, until sold, not to exceed a maximum charge of \$1.00 per head, per head, per day....	.20
Tipping horns.....	\$.10 per head
Branding.....	.10 per head
When requested, or when necessary for brand or identification tag, a charge will be made of.....	.25 per head

ARTICLE IV

Buying Charges

The charges for buying livestock of the various species shall not be in excess of these for selling like species and shall be as follows:

Cattle bought in carload lots for either beef or feeding purposes... (Minimum \$12.30, Maximum \$15.00 carload)	\$.50 per head
Milkers and Springers.....	1.25 per head
Calves under 500 pounds.....	.25 per head
Calves in carload lots single deck, Maximum of \$15.00 per car	
Calves in carload lots double deck, Maximum of \$22.00 per car	
Hogs and Sheep in carload lots, 25 cents per head not to exceed:	
Maximum for single deck of \$15.00	
Maximum for double deck of \$22.50	
Minimum per car of \$12.50	
Hogs and Sheep less than carload lots.....	.30 per head

ARTICLE V

Resale Charges

The rates for reselling livestock of the various species shall be the same as those for selling under the provisions of Article II.

ARTICLE VI
Feed Charges

Hay—all kinds; current market prices, f.o.b. stockyards plus.....	\$.50 cwt.
Cottonseed Hulls, current market prices, f.o.b. stockyards plus.....	.50 cwt.
Cottonseed Meal, current market prices, f.o.b. stockyards plus.....	.50 cwt.
Corn—current market prices, f.o.b. stockyards plus.....	.25 bu.
Special feeds: a reasonable handling charge, not to exceed 50 cents per cwt., or fraction thereof.	

The charge made for hay, hulls, meal, and corn shall be divisible by 5 and shall be amended when the margin between cost and sale price of the feeds named varies 5 cents from the margin specified above.

ARTICLE VII
Insurance

Livestock all species, received by rail..... \$.10 per car
Livestock received other than by rail:

Cattle, 1/2 cent (one-half cent) per head.

Calves, 1/5 cent (one-fifth cent) per head.

Hogs, 1/5 cent (one-fifth cent) per head.

Sheep, 1/6 cent (one-sixth cent) per head.

Minimum charge of 1 cent (one cent) per single ownership.

Maximum charge, 10 cents (ten cents) on all consignments of single ownership
received for the same market day up to:

30 head of cattle

75 head of calves not over 300 pounds

75 head of hogs

300 head of sheep

ARTICLE VIII
Shipping Charges

When shipments are forwarded by rail and where partitions are required a charge of \$2.50 for each partition furnished will be made.

When shipments are forwarded by rail a charge will be made of \$2.00 per car, for bedding single deck, and \$3.00 per car for double deck.

When required a charge of 50 cents per head will be made for tying bulls in cars.

ARTICLE IX

When any service is required or requested and for which there is no rule covering such special service a charge for same will be agreed upon at the time of such service.

Issued by

NEW ORLEANS LIVE STOCK EXCHANGE, LTD.

For and on behalf of each firm and market agency
affiliated therewith

JOHN S. SOUTH, *Secretary-Treasurer*

Note: The prices quoted on feed charges are margins above the current market price, as authorized by the Packers and Stockyards Division.

APPENDIX C

OFFICE MEMORANDUM NEW ORLEANS ASSOCIATION OF COMMERCE

July 26, 1935

Memorandum to Mr. B. B. Jones:

Following are the rates on livestock and dressed meats which you requested some time ago.

Live Cattle

Chicago to New Orleans

73½ cents per 100 pounds, minimum 22,000 pounds

New Orleans to Chicago

61 cents per 100 pounds, minimum 22,000 pounds

Chicago to Los Angeles, California

\$1.12½ per 100 pounds, minimum 22,000 pounds

Los Angeles to Chicago

\$1.12½ per 100 pounds, minimum 22,000 pounds

Live Calves

Chicago to New Orleans

73½ cents per 100 pounds, minimum (single deck) 16,000 pounds; (double deck) 24,000 pounds

New Orleans to Chicago

61 cents per 100 pounds, minimum (single deck) 16,000 pounds; (double deck) 24,000 pounds

Chicago to Los Angeles

\$1.12½ per 100 pounds, minimum (double deck) 23,000 pounds

\$1.29½ per 100 pounds, minimum (single deck) 16,000 pounds

Los Angeles to Chicago

\$1.12½ per 100 pounds, minimum (double deck) 23,000 pounds

\$1.29½ per 100 pounds, minimum (single deck) 16,000 pounds

Dressed Beef and Veal

Chicago to New Orleans

97 cents per 100 pounds, minimum 21,000 pounds

New Orleans to Chicago

97 cents per 100 pounds, minimum 21,000 pounds

Chicago to Los Angeles

\$2.69 per 100 pounds, minimum 21,000 pounds

Los Angeles to Chicago

\$3.03 per 100 pounds minimum 21,000 pounds

GEO. E. SCHNEIDER, *Traffic Secretary*